

AMENDED IN SENATE JUNE 13, 2007

AMENDED IN ASSEMBLY JANUARY 18, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 108

Introduced by Assembly Members Benoit, Carter, Cook, and
Sharon Runner *Member Benoit*

(Principal coauthors: Assembly Members Adams, Garcia, and
Jeffries)

(Coauthors: Assembly Members Alarcon, Berryhill, Fuller, Horton,
Krekorian, Maze, Richardson, Strickland, DeVore, Garrick,
Huff, Spitzer, and Tran)

(Coauthors: Senators Cox, Dutton, Harman, Hollingsworth, and Wyland)

January 4, 2007

~~An act relating to taxation, to take effect immediately, tax levy. An
act to add Section 85301.5 to the Government Code, relating to the
Political Reform Act of 1974.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 108, as amended, Benoit. ~~Taxation: California Fallen Firefighters
Assistance Tax Clarification Act of 2006.~~ *Political Reform Act of 1974.*

~~The Corporation Tax Law exempts certain organizations from
taxation, as provided.~~

~~This bill would provide that payments made by an exempt
organization, as defined, on or after October 26, 2006, and before June
1, 2007, to any family member of a firefighter who died as a result of
the October 2006 Esperanza Incident fire in Southern California would
be treated as payments made in furtherance of the charitable purpose~~

~~of that organization. This bill would make a legislative finding and declaration relating to the public purpose served by the bill.~~

~~This bill would take effect immediately as a tax levy.~~

The Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing and related matters, including placing limits on campaign contributions. Existing law prohibits a person from making any monetary contribution beyond a specified limit per election to any candidate for elective state office, statewide elective office, or Governor. Further, existing law prohibits a small contributor committee from making any monetary contribution beyond a specified limit per election to any candidate for elective state office, statewide elective office, or Governor.

This bill would require that, in the case of a candidate for elective state office simultaneously running for an elective office other than an elective state office, contributions to all committees controlled by the candidate be aggregated and that those contributions not exceed the elective state office limits. This bill would provide an exception for those committees whose primary activity is the support or opposition of one or more ballot measures and those committees established for a candidate's legal defense account for civil, criminal, or administrative proceedings arising directly out of the conduct of an election campaign. The bill would provide an exception for contributions made after the election if those contributions meet other specified limitations.

Existing law makes a willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

By requiring that all contributions to committees controlled by the candidate be aggregated and not exceed specified limits, the bill would impose a state-mandated local program by creating additional crimes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a ²/₃ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 85301.5 is added to the Government Code,
2 to read:

3 85301.5. (a) If a candidate for elective state office is
4 simultaneously a candidate for an elective office other than an
5 elective state office, then contributions to all committees controlled
6 by the candidate shall be aggregated and no person shall make
7 and no candidate shall accept any contribution which, when
8 aggregated with other contributions to committees controlled by
9 the candidate, exceeds the limits in Section 85301 or 85302.

10 (b) This section shall not apply to committees controlled by a
11 candidate if the primary activity of the committee is the support
12 or opposition of one or more ballot measures, to contributions
13 received pursuant to Section 85316, or to committees established
14 pursuant to Section 85304.

15 (c) Nothing in this section shall be interpreted to permit
16 contributions in excess of the contribution limits for any elective
17 office.

18 SEC. 2. No reimbursement is required by this act pursuant to
19 Section 6 of Article XIII B of the California Constitution because
20 the only costs that may be incurred by a local agency or school
21 district will be incurred because this act creates a new crime or
22 infraction, eliminates a crime or infraction, or changes the penalty
23 for a crime or infraction, within the meaning of Section 17556 of
24 the Government Code, or changes the definition of a crime within
25 the meaning of Section 6 of Article XIII B of the California
26 Constitution.

27 SEC. 3. The Legislature finds and declares that this bill furthers
28 the purposes of the Political Reform Act of 1974 within the meaning
29 of subdivision (a) of Section 81012 of the Government Code.

30 SECTION 1. ~~This act shall be known and may be cited as the~~
31 ~~California Fallen Firefighters Assistance Tax Clarification Act of~~
32 ~~2006.~~

33 SEC. 2. ~~(a) For purposes of Part 10 (commencing with Section~~
34 ~~17001), Part 10.2 (commencing with Section 18401), and Part 11~~
35 ~~(commencing with Section 23001) of the Revenue and Taxation~~

1 ~~Code, payments made on behalf of any firefighter who died as a~~
2 ~~result of the October 2006 Esperanza Incident fire in Southern~~
3 ~~California to any family member of such firefighter by an~~
4 ~~organization described in paragraph (1) or (2) of Section 509(a)~~
5 ~~of the Internal Revenue Code shall be treated as related to the~~
6 ~~purpose or function constituting the basis for that organization's~~
7 ~~exemption under Chapter 4 (commencing with Section 23701) of~~
8 ~~Part 11 of the Revenue and Taxation Code if the payments are~~
9 ~~made in good faith using a reasonable and objective formula which~~
10 ~~is consistently applied.~~

11 ~~(b) Subdivision (a) shall apply only to payments made on or~~
12 ~~after October 26, 2006, and before June 1, 2007.~~

13 ~~SEC. 3.—The Legislature finds and declares that the enactment~~
14 ~~of this act and the retroactive application provided by Section 2~~
15 ~~of this act are necessary for the public purpose of providing relief~~
16 ~~under California law, by treating payments made by an organization~~
17 ~~to any family member of any firefighter who died as result of the~~
18 ~~Esperanza Incident fire in Southern California as payments made~~
19 ~~in furtherance of the charitable purpose of that organization in~~
20 ~~order to prevent the loss of that organization's tax exempt status.~~

21 ~~SEC. 4.—This act provides for a tax levy within the meaning of~~
22 ~~Article IV of the Constitution and shall go into immediate effect.~~